

# Comptroller of the Currency

## Performance Plans for FY2002 and FY2003

Actual Performance Figures are in **bold**, Final Targets are in plain text, and Proposed Targets are *italicized*.  
Targets which were not met are shown in red.

**Mission:** The OCC charters, regulates, and supervises national banks to ensure a safe, sound and competitive national banking system that supports the citizens, communities, and economy of the United States.

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**Budget Activity:** Strategic Goal I. A safe and sound national  
**Function:** banking system

This strategic goal is accomplished by ongoing supervision and enforcement activities that ensure each national bank is operating in a safe and sound manner and is complying with laws, rules, and regulations relative to the bank and the customers and communities it serves. This core process includes bank examinations and enforcement activities, resolution of disputes through the Ombudsman process, and the ongoing monitoring of banks. Other activities include identifying, analyzing, and responding to emerging systemic risks and market trends that could impact the safety and soundness of national banks; the national banking system or groups of national banks; the financial services industry; or the economic and regulatory environment in which banks operate.

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**Performance Goal:**

Achieve effective compliance with Federal Deposit Insurance Corporation Improvement Act (FDICIA) examination schedule requirements for community banks

	<b>FY1999 Actual</b>	<b>FY2000 Actual</b>	<b>FY2001 Actual</b>	<b>FY2002 Final Plan</b>	<b>FY2003 Proposed Plan</b>
<b><u>Performance Measure(s):</u></b>					
View Definition and Validation Percent of community bank examinations conducted in accordance with the FDICIA mandated scheduled, exclusive of approved exceptions	92%	98%	94% View Explanation	100%	100%
View Definition and Validation Percent of community bank examinations that are approved exceptions to the FDICIA mandated schedule				10%	10%
View Definition and Validation Average calendar days past due on community banks examinations that do not meet the approved exception criteria				15	15

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**Performance Goal:**

Identify and communicate risks to large and mid-size bank management

	<b>FY1999 Actual</b>	<b>FY2000 Actual</b>	<b>FY2001 Actual</b>	<b>FY2002 Final Plan</b>	<b>FY2003 Proposed Plan</b>
<b>Performance Measure(s):</b>					
View Definition and Validation					
Percent of large and mid-size banks where quarterly risk assessments are completed				100%	

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View Definition and Validation					
Percent of large and mid-size banks that received an annual report of examination				100%	

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**Budget Activity:** Strategic II. A full competitive array of financial services  
**Function:**

This strategic goal is accomplished by ongoing activities that ensure each national bank is operating in a safe and sound manner and is complying with laws, rules, and regulations relative to the bank and the customers and communities it serves. This core process involves the chartering or liquidation of national banks as well as the evaluation of the permissibility of structures and activities of national banks and their subsidiaries. These activities result in the establishment of regulations, policies, operating guidance, and interpretations of general applicability to national banks. Regulations, policies, and interpretations establish system-wide standards, define acceptable banking practices, provide guidance on risks and responsibilities facing national banks, or prohibit (or restrict) imprudent or unsafe banking practices. This core process also establishes examination policies, handbooks, and interpretations for examiners.

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**Performance Goal:**

Continue to improve corporate application processes to achieve maximum efficiency and responsiveness, consistent with safety and soundness

	<b>FY1999 Actual</b>	<b>FY2000 Actual</b>	<b>FY2001 Actual</b>	<b>FY2002 Final Plan</b>	<b>FY2003 Proposed Plan</b>
<b><u>Performance Measure(s):</u></b>					
View Definition and Validation Percent of regulations that incorporate plain language criteria			<b>100%</b> View Explanation	100%	<i>100%</i>

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View Definition and Validation Percent of corporate applications processed on- time	<b>95%</b>	<b>96%</b>	<b>96%</b> View Explanation	95%	<i>95%</i>
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**Budget Activity:  
Function:**

Strategic Goal III. Fair access to financial services and fair treatment of bank customers

This strategic goal is accomplished by ongoing activities that ensure each national bank is operating in a safe and sound manner and is complying with laws, rules, and regulations relative to the bank and the customers and communities it serves. These activities result in the establishment of regulations, policies, operating guidance, and interpretations of general applicability to national banks. Regulations, policies, and interpretations establish system-wide standards, define acceptable banking practices, provide guidance on risks and responsibilities facing national banks, or prohibit (or restrict) imprudent or unsafe banking practices. This core process also involves managing external relations to educate key OCC stakeholders, facilitate their interactions with the OCC or its national bank clientele, or advance specific OCC policy interests.

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**Performance Goal:**

Effectively respond to bank customer complaints and consumer inquiries in a timely manner

	<b>FY1999 Actual</b>	<b>FY2000 Actual</b>	<b>FY2001 Actual</b>	<b>FY2002 Final Plan</b>	<b>FY2003 Proposed Plan</b>
<b><u>Performance Measure(s):</u></b>					
View Definition and Validation					
Average days to process customer complaints and consumer inquiries	45	51	46	50	50
			View Explanation		

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**Budget Activity:**

Strategic Goal IV. An expert, motivated and diverse workforce that makes effective use of resources

This strategic goal is accomplished by those activities related to prudently managing OCC's human, financial, physical, and technology resources to ensure OCC programs achieve their intended results in an efficient and effective manner. The management of human resources includes the recruitment, retention, recognition, and continuous development of OCC staff.

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**Performance Goal:**

Tailor workforce competencies to the changing risk profile of the financial services industry

	<b>FY1999 Actual</b>	<b>FY2000 Actual</b>	<b>FY2001 Actual</b>	<b>FY2002 Final Plan</b>	<b>FY2003 Proposed Plan</b>
<b><u>Performance Measure(s):</u></b>					
View Definition and Validation					
Percent of planned training accomplished			90%	90%	90%
			View Explanation		

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**Performance Goal:**

Implement OCC's Management Accountability Program

	<b>FY1999 Actual</b>	<b>FY2000 Actual</b>	<b>FY2001 Actual</b>	<b>FY2002 Final Plan</b>	<b>FY2003 Proposed Plan</b>
<b><u>Performance Measure(s):</u></b>					
View Definition and Validation Statement of reasonable assurance under the Federal Manager's Financial Integrity Act (FMFIA) and Substantial Compliance under the Federal Financial Management Improvement Act (FFMIA) is issued		<b>Unmet</b> View Explanation	<b>Unmet</b> View Explanation	Met	<i>Met</i>

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**Performance Goal:**

Modernize financial systems to obtain more reliable and timely information in managing human and financial resources

	<b>FY1999 Actual</b>	<b>FY2000 Actual</b>	<b>FY2001 Actual</b>	<b>FY2002 Final Plan</b>	<b>FY2003 Proposed Plan</b>
<b><u>Performance Measure(s):</u></b>					
View Definition and Validation Percent of selected capital projects that meet funding, schedule and performance targets			<b>100%</b> View Explanation	100%	<i>100%</i>

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### **Performance Measure**

Percent of community bank examinations conducted in accordance with the FDICIA mandated schedule, exclusive of approved exceptions

#### **Definition and Validation**

Definition: Adhering to the FDICIA schedule allows the OCC to monitor bank operations routinely and thus, help to ensure the overall safety and soundness of the national banking system. OCC management approves certain exceptions to the FDICIA schedule. When changes in a bank's structure or operations indicate that completing an examination by the required due date is impractical, an exception is approved. An exception is defined as a late FDICIA strategy certification that does not fall into one of the approved exception categories. The exception rate is calculated by comparing the number of FDICIA strategy certification exceptions during the year with the number of institutions subject to FDICIA.

Verification and Validation: The close dates and the approval dates of FDICIA strategy certifications are recorded in the Supervisory Information System (SIS). SIS generates a due date for the FDICIA strategy certification based on the institution's FDICIA cycle and the close/approval date of the last examination/strategy certification. Past due reports are provided to the district offices listing all past due certifications. For approved exceptions, the report will list the exception category recorded in SIS. The Supervisory Information Division routinely reviews the SIS for missing data, illogical data, etc., and contacts appropriate parties to request correction of the data. Data Accuracy: Reasonable Accuracy

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### **Performance Measure**

Percent of community bank examinations that are approved exceptions to the FDICIA mandated schedule

#### **Definition and Validation**

Definition: Timely and regular bank examinations are integral to ensuring safety and soundness of community banks. The OCC's target is that approved exceptions will not exceed 10% of the examinations due to be closed for the fiscal year. Exceptions are not completely within OCC's control since they are the result of significant changes to a bank's structure/operations, or the number and complexity of ongoing problem bank examinations. The percentage is determined by comparing the number of approved exceptions to community bank examinations for the fiscal year to the total number of FDICIA community bank examinations scheduled to be closed for the fiscal year.

Verification and Validation of Data Quality: The data used to determine the percentage is obtained from SIS. The data verification and validation of this system is described under the prior measure.

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### **Performance Measure**

Average calendar days past due on community banks examinations that do not meet the approved exception criteria

#### **Definition and Validation**

Definition: When delays in community bank examinations do not meet the approved exception criteria, the OCC's target is that these delays should not exceed an average of 15 calendar days. The number of calendar days past the scheduled close date for all community bank examinations that do not meet the approved exception criteria during the fiscal year is averaged.

Verification and Validation of Data Quality: The data used to determine the average is obtained from SIS. The data verification and validation of this system is described under the prior measure.

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### **Performance Measure**

Percent of large and mid-size banks where quarterly risk assessments are completed

#### **Definition and Validation**

Definition: Regular risk assessments, particularly of large and mid-size banks, are critical to ensuring safety and soundness of the national banking system. Information gathered in the risk assessment process is used to determine the focus and scope of large and mid-size bank supervision activities. The percentage is determined by comparing the number of large and mid-size banks for which all quarterly risk assessments are completed during the fiscal year to the total number of large and mid-size banks supervised.

Verification and Validation of Data Quality: Quarterly risk assessments for each company are entered into the Supervisory Information System (SIS) by the examiner that performed the risk assessment or designee. Each completed risk assessment is reviewed and approved/closed by the examiner-in-charge (EIC) for Large Banks and the Assistant Deputy Comptroller

(ADC) for Mid-Size Banks. Additionally, on a periodic basis, a sample of the large and mid-size bank surveillance reports are compared to SIS by an independent reviewer to ensure the accuracy of the data. Any discrepancies are reported to the respective Large Bank Deputy Comptroller's analyst or the Mid-Size Bank ADC's analyst for corrective action. Data Accuracy: Reasonable Accuracy

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### **Performance Measure**

Percent of large and mid-size banks that received an annual report of examination

#### **Definition and Validation**

**Definition:** Large and mid-size banks, because of their criticality to the overall national banking system, are supervised on a continuous basis. Issues are reported to bank management as they are identified throughout the year, and on an annual basis, a summary report of examination (ROE) is issued. The percentage is determined by comparing the number of large and mid-size banks that received an annual ROE during the fiscal year to the total number of large and mid-size banks supervised.

**Verification and Validation of Data Quality:** Each large bank ROE is reviewed and approved by the EIC and each mid-size bank ROE is reviewed and approved by the ADC. The "as of" date for the ROE is entered into the Large Bank Report Tracking database or the Supervisory Information System by the Large Bank Supervision support staff or the mid-size bank EIC, respectively. On a periodic basis, a sample of large and mid-size bank ROEs is compared to the systems data by an independent reviewer to ensure accuracy. Any discrepancies are reported to the respective Large Bank Deputy Comptroller's analyst or the Mid-Size Bank ADC's analyst for corrective action. Data Accuracy: Reasonable Accuracy

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### **Performance Measure**

Percent of regulations that incorporate plain language criteria

#### **Definition and Validation**

**Definition:** The OCC's issuance of clear banking regulations and guidance allows banks to more effectively and efficiently conduct business operations. The percentage is determined by comparing the number of final rules issued (or representative sample) that incorporate at least one of the plain language techniques outlined in the Presidential Memorandum dated June 1, 1998, to the total number of final rules issued (or representative sample) during the fiscal year.

**Verification and Validation:** All OCC final rules are public documents published in the Federal Register. The OCC also provides access to these rules on its Internet and Intranet web sites. A representative sample of final rules issued during the fiscal year are reviewed by staff of the Legislative and Regulatory Analysis Division. A staff member familiar with the requirements of the Presidential Memorandum dated June 1, 1998, and who was not involved in drafting the rule, will review the sample for compliance with the criteria in the President's memorandum. If fewer than 10 final rules are issued in a fiscal year, all rules will be reviewed. Sampling will be performed according to "Sampling Methodologies," Comptroller's Handbook, August 1998. Data Accuracy: Reasonable Accuracy

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### **Performance Measure**

Percent of corporate applications processed on-time

#### **Definition and Validation**

**Definition:** The OCC's timely and effective approval of corporate applications contributes to the nation's economy by enabling national banks to engage in corporate transactions and introduce new financial products and services. The percentage is determined by comparing the number of non-protested corporate applications processed within the required time frames to the total number of non-protested corporate applications processed during the fiscal year. The processing time is the number of calendar days from the date of OCC receipt (or in some cases, publication of application by applicant established by OCC) to the date of OCC action. The established processing time frame depends on the application type and if the application qualifies for expedited processing (applications filed by eligible banks qualify - with time frames specified in appropriate sections of 12 CFR 5). Targeted time frames are made available to all applicants in the Comptroller's Corporate Manual.

**Verification and Validation:** The Licensing Department tracks processing of all applications through the Corporate Activity Information System (CAIS). CAIS includes receipt date, decision and consummation dates, and other application data. The analyst who is assigned the application will verify the accuracy of the CAIS data as the application is processed. The senior analyst or manager who approves the final decision also verifies the accuracy of the CAIS data. Data Accuracy: Reasonable

Accuracy

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### **Performance Measure**

Average days to process customer complaints and consumer inquiries

#### **Definition and Validation**

Definition: To promote fair access to financial services and fair treatment of bank customers, the OCC facilitates the resolution of customer complaints involving national banks. The OCC also responds to consumer inquiries regarding financial products and services. The number of calendar days from the date the complaint or inquiry is received to the date of final resolution is averaged.

Verification and Validation: Processing of customer complaints and consumer inquiries are tracked in the Remedy Action Response System (RARS). All customer complaints categorized as priority are reviewed by the manager before they are closed. The remaining RARS data accuracy is reviewed periodically by either the manager or the Quality Development manager on a sample basis. Data Accuracy: Reasonable Accuracy

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### **Performance Measure**

Percent of planned training accomplished

#### **Definition and Validation**

Definition: The environment in which national banks operate is subject to frequent changes due to economic, industry, legislative, political, and technological issues. A properly trained staff with current financial tools and skills is paramount to the effective delivery of OCC's mission. The percentage is determined by comparing the number of training courses planned and completed during the fiscal year to the total number of training courses planned for the fiscal year.

Verification and Validation: Planned and completed training dates are maintained in the Training Administration System (TAS). TAS data accuracy is reviewed by Continuing Education Resource Alternatives (CERA) managers on a periodic basis. Data Accuracy: Reasonable Accuracy

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### **Performance Measure**

Statement of reasonable assurance under the Federal Manager's Financial Integrity Act (FMFIA) and Substantial Compliance under the Federal Financial Management Improvement Act (FFMIA) is issued

#### **Definition and Validation**

Definition: To meet the objective of an effective and efficient organization, OCC's systems of management and internal controls should be adequate and operating effectively, and financial systems should meet the requirements set forth for federal agencies. Performance is reported as "Met" if the annual statement indicates "reasonable assurance" under FMFIA and "substantial compliance" under FFMIA.

Verification and Validation: On at least an annual basis, OCC managers evaluate their systems of management controls and self assess whether they meet the standards prescribed by federal oversight agencies. Management's assessment of management controls is based on: management's knowledge gained from daily operations; assessments conducted annually by managers; Inspector General and General Accounting Office reports; audits of financial statements; program evaluations; and, performance against annual performance plans and budgets. Included in the statement of assurance is a description of the analytical basis for the assurance and the extent to which activities were assessed. These collective assessments are used by the Comptroller to make an overall attestation for the agency. Data Accuracy: Reasonable Accuracy

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### **Performance Measure**

Percent of selected capital projects that meet funding, schedule and performance targets

#### **Definition and Validation**

Definition: Achieving targeted cost, schedule and performance when implementing major systems is key to better resource management and improved performance in the OCC. Performance is reported as "Met" if actual cost, schedule and system performance meet the fiscal year targets established in the Financial Management Information System (\$SMART) and Peoplesoft HR System workplans.

Verification and Validation: Senior management approved workplans for implementation of \$SMART and the PeopleSoft HR System. The Project Manager has overall responsibility for ensuring the deliverables and targets established in the

workplan are achieved. Actual results are evaluated against the approved workplans to determine variances. Data Accuracy:  
Reasonable Accuracy

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**Performance Measure:** Percent of community bank examinations conducted in accordance with the FDICIA mandated scheduled, exclusive of approved exceptions

**Explanation:FY2001**

Due to OCC's conversion from a calendar year to a fiscal year, 2001 actual data is for 9 months (January - September 2001).

As a result of the conversion and migration of data to a new examination monitoring and tracking system, minor data inaccuracies caused a small percentage of examinations to begin shortly after their "official" due dates under the Federal Deposit Insurance Corporation Improvement Act. Thus, the OCC did not meet the target of 95% of bank examinations commencing as scheduled. During the first part of the year, data integrity validation corrected the issue.

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**Performance Measure:** Percent of regulations that incorporate plain language criteria

**Explanation:FY2001**

Due to OCC's conversion from a calendar year to a fiscal year, 2001 actual data is for 9 months (January - September 2001).

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**Performance Measure:** Percent of corporate applications processed on-time

**Explanation:FY2001**

Due to OCC's conversion from a calendar year to a fiscal year, 2001 actual data is for 9 months (January - September 2001).

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**Performance Measure:** Average days to process customer complaints and consumer inquiries

**Explanation:FY2001**

Due to OCC's conversion from a calendar year to a fiscal year, 2001 actual data is for 9 months (January - September 2001).

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**Performance Measure:** Percent of planned training accomplished

**Explanation:FY2001**

Due to OCC's conversion from a calendar year to a fiscal year, 2001 actual data is for 9 months (January - September 2001).

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**Performance Measure:** Statement of reasonable assurance under the Federal Manager's Financial Integrity Act (FMFIA) and Substantial Compliance under the Federal Financial Management Improvement Act (FFMIA) is issued

**Explanation:FY2001**

The performance goal was established based on a 2001 calendar year. The OCC implemented a new financial management system on October 1, 2001, which was the final action needed to issue a positive assurance statement with respect to FMFIA and FFMIA requirements. Because OCC changed from a calendar year to fiscal year reporting, qualified assurance for Section 4 FMFIA and noncompliance for FFMIA will be issued for 2001.

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**Performance Measure:** Percent of selected capital projects that meet funding, schedule and performance targets

**Explanation:FY2001**

Due to OCC's conversion from a calendar year to a fiscal year, 2001 actual data is for 9 months (January - September 2001).

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**Performance Measure:** Statement of reasonable assurance under the Federal Manager's Financial Integrity Act (FMFIA) and Substantial Compliance under the Federal Financial Management Improvement Act (FFMIA) is issued

**Explanation:FY2000**

\*\*\*Explanation not provided.\*\*\*

